DAVID F. CARGO CHAIRMAN State of New Alexico

Gil Conservation Commission

12916 1 PRANTE FORB 9-2 8/21/2010 LAND COMMISSIONER GUYTON B. HAYS

P. O. BOX 2088 SANTA FE

August 28, 1967

STATE GEOLOGIST A. L. PORTER, JR. SECRETARY . DIRECTOR

Texaco Inc. Drawer 728

Hobbs, New Mexico

Attention: Mr. J. G. Blevins, Jr.

Re: Commission Order No. R-3253

Gentlemen:

Reference is made to Commission Order No. R-3253, which authorizes Texaco Inc. to institute a pilot waterflood project in the Lazy J-Pennsylvanian Pool by the injection of water into the Pennsylvanian formation in the interval from 9612 feet to 9800 feet in its State "BV" Well No. 1, located in Unit E of Section 26, Township 13 South, Range 33 East, Lea County, New Mexico, provided waivers of objection from all offset operators are furnished to the Commission. This proviso was necessary because the proposed zone of injection is somewhat different than that originally proposed which was given in the legal notice of the hearing.

The Commission has this date received the last required waiver of objection. Texaco is, therefore, hereby authorized to proceed with the waterflood project as outlined in Order No. R-3253.

Very truly yours

L. PORTER, Jr.

Secretary-Director

ALP/DSN/esr

cc: Oil Conservation Commission - Hobbs